

October 30, 2009

### **OBEY ANNOUNCES REFORMS TO MEDICARE REIMBURSEMENT**

WASHINGTON, D.C. – Seventh District Congressman Dave Obey (D-WI) joined Representative Ron Kind (WI-03) and other Democratic colleagues to announce that the health care reform bill the House will vote on will take important steps to reform the current Medicare reimbursement system which should benefit health care providers and patients in Wisconsin.

“Right now, Wisconsin health care providers deliver high-quality, low cost care but because of the current flawed Medicare reimbursement system, they are reimbursed less than providers in other states, like Florida,” said Obey. “This agreement should turn that around by moving Medicare to pay for quality and outcomes rather than the number of procedures ordered.”

Under the agreement, the Institute of Medicine (IOM), through two studies, will make recommendations on how to fix the current Medicare reimbursement system. The Secretary of Health and Human Services will then implement the recommendations. The first study will examine the current Medicare reimbursement formula and make recommendations to update the Medicare physician payments. The second study will provide recommendations on changing the Medicare payment system to reward value and quality. Both studies will be completed and recommendations ready for implementation before the national health insurance exchange or public option go into effect.

“Reimbursing based on quality outcomes should improve quality of care for every patient, help reduce costs, and reward excellence in the practice of medicine,” Obey said.

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